[Mr. S. Sundararajan.]

coir had been declining and the present situation has accentuated the position. Nearly 3,00,000 persons employed in the work are affected and 25,000 are without employment.

4. The progress of our capital works, on the revenue anticipations on which so much depends has also been retarded. Material and machinery indented for from outside India have either not arrived or arrived so late that the progress of works is held up. Tendency to profiteering by pushing up prices under war conditions has manifested itself, although it has luckily been brought under control in the case of necessaries. On the whole the combined result of all these has been to upset our national economy for the moment.

5. But there is also another side to the picture. The dislocation of the economic structure and the need for making up for the loss of markets have developed a spirit of enquiry into the why and wherefore of the question and pointed to the need for a closer investigation of our economic problems and for a system of planned economy. Above all the presence of a common danger has brought the country together as one man to rally round His Highness the Maharaja to put up a supreme effort in assisting His Majesty's Government in bringing the war to a victorious conclusion.

6. The finance of the country which is the pulse of the body politic will and does, as may naturally be expected, reflect the anxiety of the times. But let me not be understood to be preparing the House for an adversity budget. The budget which is only set in the framework shaped by the world conditions, does in the main reflect, as it should, the hopes and aspirations of the times and the people in so far as they relate to this country.

Actuals of 1114 M. E.

7. With the background so prepared, I proceed now to narrate the final tale which the year M. E. 1114 has to unfold, as the closing point of the year was the starting point of the next year, the revised estimates of which I shall presently place before you. We anticipated a revenue receipt of Rs 256·27 lakhs and a revenue expenditure of Rs 257·08 lakhs thus budgeting for a deficit of Rs ·81 of a lakh. There was a slight worsening of the position and we had to face a deficit of Rs 2·04 lakhs, a result which was brought about by revenue falling short of our anticipations by Rs 2·45 lakhs, counterbalanced in part by a reduction of Rs 1·22 lakhs in the revenue expenditure. The single factor which was responsible for worsening of the revenue position was perhaps the generous remission ranging from as much as 50 to 100 per cent. in the

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land tax granted to the smaller agriculturist at the end of the year. The capital expenditure less receipts was expected to leave us a gap of Rs 19·39 lakhs, but as usual with the expenditure on such schemes the progress of works was so considerably retarded that the gap narrowed down to Rs 10·96 lakhs. Out of the transactions under the debt and deposit heads, a net addition of Rs 8·72 lakhs to our closing balance was forecasted; the actual addition however turned out to be almost double i. e., Rs 17·11 lakhs. This was very largely due to an increase in the Savings Bank Deposits and savings in the outlay on Reproductive works. The cumulative result of all these variations was that we started the year 1115 with an opening balance of Rs 60·86 lakhs while we banked on a balance of only Rs 45·92 lakhs.

Revised Estimate 1115.

8. The year which started under such auspices is now drawing to a close. The revised estimate for the year is in brief as follows :—

	Budget Estimate. 1115. Rs	*Revised Estimate.* 1115. Rs	*Increase + Decrease –* Rs
Revenue Receipts ...	263·79	266·30	+2·51
Expenditure on Revenue account ...	261·09	263·62	+2·53
Surplus+,Deficit– ...	+2·70	+2·68	– ·02

It will readily be appreciated that our optimism about the revenue anticipations was fully justified and that our revenue receipts which the present indications show would rise up as high as Rs 266·30 lakhs, a figure which we have not so far touched. The figure represents an increase of Rs 2·51 lakhs over our budget estimates and as usual has been brought about by an improvement of revenue under several heads as counterbalanced by short falls under several other heads. I do not propose to tax the patience of the members by cataloguing all the numerous and interesting circumstances which have brought about a rise here and a fall there. But I shall deal with some of the most important heads under which there have been marked variations.

9. First and foremost should be mentioned the revenue under Customs. The share of revenue under the Cochin Harbour Agreement showed an increase of over a lakh over the budgeted figure and that under Sea Customs-Exports another similar increase. Honourable members might feel surprised how such a result could have been brought about when we are in the midst of a destructive war. But I may at once clear the position by pointing out that the receipts relate to the year 1938-39 *i. e.* to the year 1113-14 M. E. when conditions were normal.

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